

—when she is preparing to reap the benefits of her internal improvements—when her trade is forcing itself into new channels; and when as a favorite of the great West, she cannot fail to enjoy consequent and exclusive advantages.

These brief remarks we thought proper to make in deference; and upon a subject which you have bestowed so much reflection, and taken such laudable pains to elucidate."

Extract from the letter of the Ex-President, referred to in this Report:

"MONTPELLIER, February 2, 1832.

Dear Sir:—I have received your letter of January 2, asking—

1. Is there any state power to make banks?
2. Is the federal power as has been exercised, or as proposed to be exercised by President Jackson, preferable?

The evil which produced the prohibitory clause in the constitution of the United State, was the practice of the States making bills of credit, and in some instances, appraised property "a legal tender." If the notes of State Banks, therefore, whether chartered or unchartered, be not made a legal tender, they do not fall within the prohibitory clause. The No. of the "Federalist" referred to was written with that view of the subject—and this, with probably contemporary expositions, and the uninterrupted practice of the states in creating and permitting Banks without making their notes a legal tender, would seem to be a bar to the question if it were not inexpedient now to agitate it.

A virtual and incidental enforcement of the depreciated notes of State Banks, by their crowding out a sound medium, though a great evil, was not foreseen; and if it had been apprehended, it is questionable whether the constitution of the U. S. which had so many obstacles to encounter would have ventured to guard against it by an additional provision. A virtual, and it is hoped, an adequate remedy may hereafter be found in the refusal of State paper when debased, in any of the federal transactions, and the control of the Federal Bank, this being itself controlled from suspending its specie payments by the public authority.

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